Hup Seng Perusahaan Makanan (M) Sdn Bhd v Lam Soon Edible Oils Sdn Bhd & Anor

HIGH COURT (KUALA LUMPUR) — ORIGINATING SUMMONS NO WA-24IP-1–01 OF 2019
LIM CHONG FONG J
21 MAY 2019

Trade Marks — Registration — Application for — Registrar allowed application — Plaintiff opposed registration by registrar — Registrar dismissed plaintiff's opposition — Whether defendant's opposed mark would likely cause deception/confusion in co-existence with plaintiff's mark — Whether registrar erroneous in concluding defendant as bona fide proprietor of opposed mark — Trade Marks Act 1976 ss 10, 14(1)(d), 14(1)(e), 19, 20 & 82(2)

This was an appeal against the decision of the registrar of trademarks which dismissed the opposition against the registration of a trade mark. The plaintiff was the registered owner of the NATURELL trade mark ('the mark') with MyIPO via trade mark registration No 97012526 in Class 30 for bread, biscuit, cakes, pastry, confectionary, coffee, tea, cocoa, sugar, rice, sago, flour, preparation made from cereals. The plaintiff had been promoting its goods bearing the mark since 2005 and acquired substantial goodwill and reputation in its business based on usage of the mark. The first defendant was the applicant via trademark application No 07009502 of the NATUREL trade mark for registration in Class 30 for rice, pasta, noodles, biscuits, confectionary, pastry, breakfast cereals, cereal preparations and beverages, prepared meals and frozen meals included in Class 30, coffee, tea, frozen yoghurt, ice-cream, condiments, fish sauce being a condiment and condiments made from salted soya bean. The plaintiff opposed the registration of the opposed mark before the registrar but the registrar on 7 December 2018 dismissed the plaintiff's opposition ('the decision'). The plaintiff was dissatisfied with the decision and accordingly file the appeal to the High Court by way of originating summon ('the appeal'). The dominant thrust of the plaintiff's submission was that the learned registrar failed to appreciate that the usage of the first defendant's opposed mark would likely caused deception and confusion in co-existence with the plaintiff's mark.

Held:

(1) It was plain that ss 14(1)(a) and 19(1)(b) of the Act prohibited registration of the mark if the use of it would cause confusion or deception when used in a normal and fair manner. Whether there was practically speaking a two tier analysis; firstly whether there was resemblance in the nature of the marks when compared together and if

so, followed secondly by whether they could nonetheless be differentiated via the nature of the goods, their uses or trade channels through which they were bought and sold. Upon the comparison of the marks in issue, it was found that no error made by the registrar in her conclusion on the nature of the marks. They were visually different albeit not substantially because the essential feature was the wording of the mark. Nevertheless they were near identical when phonetically pronounced. It could not on the first tier analysis was objectively concluded that the opposed mark would by its nature vis both visual and aural per se caused confusion or deception. On the second tier analysis, it was observed that the mark and the opposed mark were registered in the same Class 30 involving many identical goods, to wit; confectionary, biscuits, pastry, coffee and tea. The phonetical pronunciation of the mark was critical to associate or distinguish the marks and their corresponding goods. The learned registrar erred in concluding having relied on an assumption without cogent evidence. Since the plaintiff had form the evidence adduced before the registrar acquired substantial reputation and goodwill in its business in its business in relation to goods in Class 30 in Malaysia long before the filing of the first defendant's application, the fair and normal use of goods in Class 30 bearing the opposed mark would inevitably was confusingly associated with the plaintiff's goods bearing the mark. The opposed mark would in its use likely cause confusion or deception to the public contrary to that as found by the learned registrar and appellate intervention was justified (see paras 23–27).

(2) The question as to who was the first user of the mark was one of fact that had to be established and supported by cogent evidence adduced by the first defendant. The evidence adduced showed that the first defendant in 1991 only registered the opposed mark in Class 29 for edible oils specifically margarine in respect of consumer goods. The plaintiff had in 1997 already registered the mark in Class 30 whereas the first defendant only sought registration of the opposed mark in Class 30 ten years later in 2007. There was substantial evidence of the plaintiff that there was use of the registered mark by way of sales and promotion of its confectionary goods including having won the awards and recognition. No evidence at all adduced by the first defendant on having used the opposed mark for goods in Class 30 prior to the plaintiff. The learned registrar fell into a fundamental error of fact if she had accepted the submission of the first defendant on prior use of the opposed mark in Class 30. It was irrelevant that the first defendant might have earlier use of the opposed mark in Class 29 for different goods even though they were related to food products. There was no evidence the first defendant's opposed mark was in use for goods in Class 30 for a substantial period of time. The learned registrar conclusion was misconceived and warranted appellate intervention (see paras 31–33).

[Bahasa Malaysia summary

Ini adalah rayuan terhadap keputusan pendaftar tanda dagangan yang telah menolak bantahan terhadap pendaftaran tanda dagang. Plaintif adalah pemilik berdaftar tanda dagang NATURELL ('tanda tersebut') dengan MyIPO melalui pendaftaran tanda dagangan No 97012526 dalam Kelas 30 untuk roti, biskut, kek, pastri, konfeksi, kopi, the, koko, gula, beras, sago, tepung, penyediaan yang dibuat daripada bijirin. Plaintif telah memasarkan barangannya yang mempunyai tanda tersebut sejak 2005 dan memperoleh nama baik dan reputasi yang substantif dalam perniagaannya berdasarkan penggunaan tanda tersebut. Defendan pertama adalah pemohon melalui permohonan tanda dagangan No 07009502 tanda dagangan NATUREL dalam Kelas 30 untuk beras, pasta, mi, biskut, konfeksi, pastri, bijirin sarapan, penyediaan bijirin dan minuman, menyediakan makanan dan makanan beku termasuk dalam Kelas 30, kopi, the, yogurt beku, ais krim, bumbu, sos ikan yang merupakan bumbu dan bumbu yang dibuat daripada kacang soya masin. Plaintif membantah pendaftaran tanda yang dibantah itu di hadapan pendaftar tetapi pendaftar pada 7 Disember 2018 telah menolak bantahan plaintif ('keputusan tersebut'). Plaintif tidak berpuas hati dengan keputusan tersebut dan dengan itu memfailkan rayuan kepada Mahkamah Tinggi melalui saman pemula ('rayuan tersebut'). Teras utama hujah plaintif adalah bahawa pendaftar yang bijaksana telah gagal memahami bahawa penggunaan tanda defendan pertama yang dibantah akan menyebabkan penipuan dan kekeliruan dengan kewujudan tanda plaintif.

Diputuskan:

(1) Ia jelas bahawa ss 14(1)(a) dan 19(1)(b) Akta tersebut melarang pendaftaran tanda tersebut jika penggunaannya akan menyebabkan kekeliruan atau penipuan apabila digunakan secara biasa dan adil. Sama ada secara praktikal dikatakan terdapat dua peringkat analisis; pertama sama ada terdapat persamaan dalam sifat tanda tersebut apabila dibandingkan bersama dan jika begitu, diikuti dengan keduanya dengan sama ada kedua-dua tanda tersebut walau apa pun boleh dibezakan melalui sifat barangan, penggunaan atau saluran dagangannya yang mana daripadanya ia dibeli dan dijual. Setelah perbandingan tanda-tanda yang dipersoalkan, ia didapati bahawa tiada kesilapan telah dibuat oleh pendaftar dalam kesimpulannya berhubung sifat tanda-tanda itu. Tanda-tanda itu secara visual adalah berbeza meskipun tidak dengan ketara kerana ciri utama adalah kata-kata pada tanda tersebut. Walau apa pun tanda-tanda itu hampir serupa apabila disebut secara fonetik. Pada peringkat pertama analisis ia tidak boleh disimpulkan secara objektif bahawa tanda yang dibantah itu melalui sifatnya iaitu kedua-dua secara visual dan aural *per se* menyebabkan kekeliruan atau penipuan. Pada peringkat kedua analisis, ia diperhatikan bahawa tanda tersebut dan tanda yang dibantah adalah berdaftar dalam Kelas 30 yang sama yang

melibatkan banyak barangan yang sama, iaitu; konfeksi, biskut, pastri, kopi dan teh. Sebutan fonetik tanda tersebut adalah kritikal untuk mengaitkan atau membezakan tanda-tanda itu dan barangan yang sepadan dengannya. Pendaftar terkhilaf dalam membuat kesimpulan kerana bergantung kepada andaian tanpa keterangan yang meyakinkan. Oleh kerana plaintif telah memberikan keterangan yang dikemukakan di hadapan pendaftar untuk memperoleh reputasi dan nama baik yang substantif dalam Kelas 30 di Malaysia sebelum pemfailan permohonan defendan pertama, penggunaan adil dan biasa untuk barangan dalam Kelas 30 yang menggunakan tanda yang dibantah itu tidak dapat mengelakkan kekeliruan yang ia dikaitkan dengan barangan plaintif yang mengandungi tanda tersebut. Tanda yang dibantah itu akan dalam penggunaannya mungkin menyebabkan kekeliruan atau penipuan kepada orang awam yang bertentangan dengan yang didapati oleh pendaftar yang bijaksana dan campur tangan rayuan adalah wajar (lihat perenggan 23–27).

(2) Persoalan berhubung siapa pengguna pertama tanda tersebut adalah berdasarkan fakta yang perlu dibuktikan dan disokong dengan keterangan meyakinkan yang dikemukakan oleh defendan pertama. Keterangan yang dikemukakan menunjukkan bahawa defendan pertama dalam 1991 hanya mendaftarkan tanda yang dibantah dalam Kelas 29 untuk minyak makan khususnya marjerin berkaitan barangan pengguna. Plaintif telahpun pada 1997 mendaftarkan tanda tersebut dalam Kelas 30 manakala defendan pertama hanya memohon pendaftaran tanda yang dibantah dalam Kelas 30 sepuluh tahun kemudian pada 2007. Terdapat keterangan substantial oleh plaintif bahawa terdapat penggunaan tanda berdaftar melalui jualan dan promosi barangan konfeksi termasuk yang telah memenangi award dan pengiktirafan. Tiada keterangan langsung telah dikemukakan oleh defendan pertama tentang penggunaan tanda yang dibantah untuk berangan dalam Kelas 30 sebelum plaintif. Pendaftar yang bijaksana terkhilaf dari segi fakta jika beliau menerima hujah defendan pertama berhubung penggunaan terdahulu tanda yang dibantah dalam Kelas 30 itu. Ia tidak relevan bahawa defendan pertama mungkin terlebih dahulu telah menggunakan tanda yang dibantah dalam Kelas 29 untuk barangan berbeza meskipun ia berkaitan dengan produk makanan. Tiada keterangan tentang tanda defendan pertama yang dibantah itu telah digunakan untuk barangan dalam Kelas 30 untuk tempoh masa yang lama. Kesimpulan pendaftar yang bijaksana telah disalah tanggap dan mewajarkan campur tangan mahkamah rayuan (lihat perenggan 31–33).]

Notes

For cases on application for, see 12(2) *Mallal's Digest* (5th Ed, 2017 Reissue) paras 3026–3031.

Cases referred to

Al Baik Fast Food Distribution Co SAE v El Baik Food Systems Co SA and another appeal [2016] 5 MLJ 768; [2016] 9 CLJ 310, CA (refd)

Attorney General for The Straits Settlements v Phang Ah Yew [1934] MLJ 184 (refd)

Bata Ltd v Sim Ah Ba @ Sim Teng Khor & Ors (trading as Kheng Aik Trading) [2006] 6 MLJ 445, CA (refd)

Beck, Koller & Co (England) Ltd's Application, Re (1947) 64 RPC 76 (refd)

De Cordova v Vick Chemical Co (1951) 68 RPC 103, PC (refd)

Dynawell Corp (M) Sdn Bhd v Dynasty Landmark Sdn Bhd & Anor [2016] 9 MLJ 369, HC (refd)

Elba Group Sdn Bhd v Pendaftar Cap Dagangan dan Paten Malaysia [1998] 4 MLJ 105, HC (refd)

Fitton (John) & Co Ltd's Application, Re (1949) 66 RPC 110 (refd)

Hui Kuan Hoe v Societe Des Produits Nestle SA [2012] 5 MLJ 343, CA (refd)

Jellinek's Application, Re (1946) 63 RPC 59 (refd)

Lam Soon Edible Sdn Bhd v Hup Seng Perusahaan Makanan (M) Sdn Bhd [2011] 7 MLJ 366, HC (refd)

Merck Kgaa v Leno Marketing (M) Sdn Bhd (Registrar of Trade Marks, interested party) [2018] 5 MLJ 1, FC (refd)

Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party) [2015] 6 MLJ 465, FC (refd)

Muniandy & Anor v Muhammad Abdul Kader & Ors [1989] 2 MLJ 416, SC (refd)

Ravenhead Brick Co Ltd v Ruabon Brick & Terra Cotta Co Ltd (1937) 54 RPC 341 (refd)

An Application by Rysta Ltd; Re The Opposition of Aristoc Ltd, Re [1943] 60 RPC 87, CA (refd)

Skyworld Development Sdn Bhd & Anor v Skyworld Holdings Sdn Bhd & Ors [2019] 9 MLJ 137, HC (refd)

Thrifty-Rent A-Car System Inc v Thrifty Rent-A-Car Sdn Bhd & Anor [2004] 7 MLJ 567, HC (refd)

Tiga Gajah Cho Heng Sdn Bhd v Majuperak Tepung Beras Sdn Bhd [1997] 4 MLJ 504, HC (refd)

Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd [2012] 6 MLJ 609; [2012] 6 CLJ 337, FC (refd)

Legislation referred to

Trade Marks Act 1976 ss 10, 14, 14(1)(a), (1)(d), (1)(e), 19, 19(1)(b), 20, 20(1), (2), 25(1), 82(2)

Michael Soo (Wendy Lee Wan Chieh with him) (Shook Lin & Bok) for the plaintiff.

Benjamin J Thompson (Hannah Ariffin with him) (Thompson Assoc) for the defendant.

Lim Chong Fong J:

INTRODUCTION

[1] This is an appeal against the decision of the Registrar of Trade Marks which dismissed the opposition against the registration of a trade mark.

[2] The plaintiff is a private limited company involved in the business of manufacturing, distribution and sales of biscuits and confectionaries in over 40 countries. The plaintiff was the opponent before the Registrar of Trade Marks ('the registrar').

[3] The first defendant is also a private limited company involved in the business of processing and refining palm oil as well as manufacturing, distribution and sales of cooking/baking goods and household/personal care products in Malaysia that carried trade names such as Knife, Buruh, Zip, Labour, Antabax, May and NATUREL.

[4] The second defendant is the registrar and a nominal defendant.

SALIENT BACKGROUND FACTS

[5] The plaintiff is the registered owner of the NATURELL trademark ('mark') with MyIPO via trademark registration No 97012526 in Class 30 for bread, biscuit, cakes, pastry, confectionary, coffee, tea, cocoa, sugar, rice, sago, flour, preparation made from cereals. The plaintiff has been promoting its goods bearing the mark since 2005 and has acquired substantial goodwill and reputation in its business based on usage of the mark. This is also evidenced in the case of *Lam Soon Edible Sdn Bhd v Hup Seng Perusahaan Makanan (M) Sdn Bhd* [2011] 7 MLJ 366.

[6] The first defendant is the applicant via trademark application No 07009502 of the following NATUREL trademark for registration in Class 30 for rice; pasta; noodles; biscuits; confectionary; pastry; breakfast cereals; cereal preparations and beverages; prepared meals and frozen meals included in Class 30; coffee; tea; frozen yoghurt (confectionary ices); ice-cream; condiments; fish sauce being a condiment; condiments made from salted soya bean; all included in Class 30.

A

B ('opposed mark').

[7] The plaintiff opposed the registration of the opposed mark before the registrar but the registrar on 7 December 2018 dismissed the plaintiff's opposition ('the decision') with her supporting grounds of decision appended with the decision.

[8] The plaintiff is dissatisfied with the decision and accordingly on 4 January 2019 filed its appeal to the High Court by way of this originating summons ('appeal'). The affidavits that were filed for the purpose of this appeal are as follows:

(a) the plaintiff's affidavit in support affirmed by Dato' Keh (Kerk) Chu Koh dated 4 January 2019;

(b) the first defendant's affidavit in reply affirmed by Lo Wye Kan dated 31 January 2019; and

(c) the plaintiff's affidavit in reply affirmed by Dato' Keh (Kerk) Chu Koh dated 28 February 2019.

[9] After having read the written submissions filed by the parties, I heard counsel on 17 April 2019 and thereafter adjourned my decision on this appeal to deliberate on the arguments advanced by counsel.

[10] Now having done so, I furnish my decision below together with the supporting grounds.

CONTENTIONS AND FINDINGS

[11] The plaintiff raised the following grounds of appeal in this appeal:

(i) the learned registrar had erred in law and/or fact in dismissing the plaintiff's opposition notwithstanding the fact that the registration of the opposed mark by the first defendant would be contrary to ss 14 and/or 19 of the Trade Marks Act 1976 ('the TMA') in that the registration and/or use of the opposed mark by the defendant would likely deceive or cause confusion to the trade and public or would be contrary to law or it would otherwise not be entitled to protection by any court of law;

(ii) the learned registrar had erred in law and/or fact in failing to find that the substantial overlap in goods registered under the plaintiff's registration No 97012526 and the goods sought to be registered under the first defendant's application would heighten the likelihood of deception and/or confusion in the minds of members of the trade and public;

(iii) the learned registrar had erred in law and/or fact in considering the current use of the mark and the first defendant's opposed mark in the course of trade in determining whether deception and/or confusion would be caused by the registration of the first defendant's opposed mark;

(iv) the learned registrar had erred in law and/or fact in failing to find that there is no co-existence between the plaintiff's mark and the first defendant's opposed mark in respect of goods in Class 30;

(v) the learned registrar had erred in law and/or fact in failing to recognise the fact that the first defendant's goods would appeal to/be sought by the same class of consumers as that seeking the plaintiff's goods;

(vi) the learned registrar had erred in law and/or fact in failing to recognise the fact that the first defendant's goods and the plaintiff's goods would travel through the same trade channel;

(vii) the learned registrar had erred in law and/or fact in holding that the first defendant is the bona fide proprietor of the opposed mark for goods in Class 30 under s 25(1) of the TMA when there is no evidence that the first defendant had used the opposed mark in relation to goods in Class 30;

(viii) the learned registrar had erred in law and/or fact in failing to give substantial weight and due consideration to the fact that the plaintiff has acquired substantial goodwill and reputation in its business in goods in Class 30 under the mark;

(ix) the learned registrar had erred in law and/or fact in allowing the first defendant's application to proceed to registration when the first defendant had failed to discharge the onus of proof that the opposed mark is distinctive of the first defendant's goods in Class 30 within the meaning of s 10 of the TMA;

(x) the learned registrar had erred in law and/or fact in failing to hold that the registration and/or use of the opposed mark by the first defendant would constitute passing-off in common law contrary to s 82(2) of the TMA; and

(xi) the learned registrar had erred in law and/or fact in failing to find that the plaintiff's mark is a well known mark and in dismissing the plaintiff's opposition under s 14(1)(d) and (1)(e) of the TMA.

[12] My function in this appeal is basically a review of the registrar's decision as clarified by the Federal Court in *Merck Kgaa v Leno Marketing (M) Sdn Bhd (Registrar of Trade Marks, interested party)* [2018] 5 MLJ 1 where Raus Sharif CJ therein held as follows:

> [71] The nature of the jurisdiction exercised by the High Court in determining appeals from tribunals must be determined by reference to the relevant statute itself. The High Court's jurisdiction depends on the nature of the judicial function it exercises (*Citiwall Safety Glass Pte Ltd v Mansource Interior Pte Ltd* [2014] SGCA 61 at [50]). The correct position was succinctly put in *Eric Chia* at [12]:
>
> > ... to determine whether or not a particular exercise of power by the High Court is made pursuant to its original jurisdiction, it must necessarily depend on the statutory provision which governs it.
>
> [72] The opposition proceedings before the registrar were brought by the appellant pursuant to s 28 of the TMA. Subsections 28(5), (6) and (7) provide for the right and manner of appeal to the High Court. For completeness of context, s 28 is reproduced herein:
>
> > 28 Opposition to registration
> >
> > (1) Any person may, within the prescribed time from the date of the advertisement of an application for the registration of a trade mark, give notice to the Registrar and applicant of opposition to the registration.
> >
> > (2) The notice shall be given in writing in the prescribed manner and shall include a statement of the grounds of opposition.
> >
> > (3) The applicant shall, within the prescribed time after the receipt of the notice of opposition, send to the Registrar and the opponent a counter-statement, in the prescribed manner, of the grounds for his application, and, if he does not do so, he shall be deemed to have abandoned his application.
> >
> > (3A) If the applicant submits a counter-statement under subsection (3), the opponent and applicant shall file evidence and exhibits in the prescribed manner and within the prescribed time in support of the opposition or the counter-statement, as the case may be, to be adduced in the prescribed manner, and if the opponent or applicant fails to do so, the opposition or application, as the case may be, shall be treated as abandoned. If the applicant files evidence and exhibits under subsection (3A), the opponent may, within the prescribed time, send to the Registrar and applicant evidence in reply to be adduced in the prescribed manner.
> >
> > (4) After considering the evidence and exhibits and after giving the applicant and the opponent an opportunity of making written submissions, the Registrar shall decide whether
> >
> > (a) to refuse to register the trade mark;
> >
> > (b) to register the trade mark absolutely; or
> >
> > (c) to register the trade mark subject to such conditions, amendments, modifications or limitations as he may think fit.

(5) A decision of the Registrar under subsection (4) is subject to appeal to the Court.

(6) An appeal under this section shall be made in the prescribed manner and the Court shall, if required, hear the parties and the Registrar, and shall make an order determining whether, and subject to what conditions, amendments, modifications or limitations, if any, registration is to be permitted.

(7) On the hearing of an appeal under this section any party may, either in the manner prescribed or by special leave of the Court, bring forward further material for the consideration of the Court but no further grounds of objection to the registration of a trade mark shall be allowed to be taken by the opponent or the Registrar other than those stated by the opponent except by leave of the Court.

(8) Where any further grounds of objection are taken the applicant shall be entitled to withdraw his application without payment of the costs of the opponent on giving notice as prescribed.

(9) In any appeal under this section the Court may after hearing the Registrar, permit the trade mark proposed to be registered to be modified in any manner not substantially affecting the identity of the trade mark, but in any such case the trade mark as modified shall be advertised in the prescribed manner before being registered.

(10) If a person giving notice of opposition or an applicant sending a counter-statement after receipt of such a notice, or an appellant, neither resides nor carries on business in Malaysia, the Registrar or the Court may require him to give security for costs of the proceedings relative to the opposition, application or appeal, as the case may be, and in default of such security being duly given, may treat the opposition, application, or appeal, as the case may be, as abandoned.

[73] 'Court' is defined in s 3 of the TMA to mean the High Court. Section 67 provides for the powers of the Court in hearing an appeal from the decision of the registrar:

67 Discretionary power

In any appeal from the decision of the registrar under this Act the Court shall have and exercise the same discretionary powers as are conferred upon the Registrar under this Act.

[74] Section 69 further states that:

69 Appeal from Registrar

Except where expressly given by the provisions of this Act or regulations made thereunder there shall be no appeal from a decision of the Registrar but the Court, in dealing with any question of the rectification of the Register (including all applications under section 45) shall have power to review any decision of the Registrar relating to the entry in question or the correction sought to be made.

Nature of proceedings before the High Court

A [75] In hearing an appeal from the decision of the registrar under section 28, uthe High Court does not take cognizance of the matter and determine the dispute at the first instance. On the contrary, the provisions of section 28 indicate that the appeal to the High Court is a rehearing of the original cause before the registrar. The High Court is empowered to examine the merits of the case, correct errors in the registrar's B decision, and make such orders as ought to have been made at first instance (*R Rama Chandran*).

[76] Significantly, under section 28(7) of the TMA, the parties may not introduce further materials or additional grounds of objection, not previously raised in the proceedings before the registrar, on appeal to the High Court without the Court's C leave. These restrictions strongly indicate that the appeal before the High Court is a continuation of the opposition proceedings, where the role of the High Court is to determine the correctness of the registrar's decision based primarily on the materials and grounds then available before the registrar.

D **[13]** In the earlier Court of Appeal decision of *Hui Kuan Hoe v Societe Des Produits Nestle SA* [2012] 5 MLJ 343, Linton Albert JCA held as follows:

[38] The registrar's decision to allow the opposition had been made after hearing evidence, taking into account the respondent's mark. His decision entitled to substantial weight: *Solavoid Trade Mark* [1977] RPC 1 at p 28 per Lord Fraser of E Tully Belton PC and applied in *Bata Ltd v Sim Ah Ba @ Sim Teng Khor & Ors* [2006] 6 MLJ 445, at p 462.

[39] Unless the registrar has gone clearly wrong, his decision ought not to be interfered with: *Banham v Reddaway* [1927] AC 406, at p 413 (HL) ...

F **[14]** Many of the grounds of appeal as framed by the plaintiff overlap and I will therefore deal with them collectively unless otherwise required.

[15] The dominant thrust of the plaintiff's submission seems to be that the G learned registrar failed to appreciate that the usage of the first defendant's opposed mark would likely cause deception and/or confusion in co-existence with the plaintiff's mark. This is encompassed in grounds of appeal no (i), (ii), (iii), (v), (vi) and (viii) of the plaintiff. In this respect, the learned registrar held as follows in her grounds of decision:

H (14) In considering the probability of deception and/or confusion, the registrar must consider all surrounding circumstances including the circumstances in which the mark would be use, the good and services would be sold and bought and the character of the probable purchasers.

I (15) To making out 'confusing' infringement, those conflicting marks, as well as the goods and services related to those marks must be compared to as establish the necessary similarity ...

...

(20) I agree with the applicant that there are few distinguishing elements should we

compare the marks. The application mark has: (i) daisy flower on top of the letter 'N'; (ii) yellow border around the word 'NATUREL'; and (iii) the word 'NATUREL' is in a stylised manner while the opponent's mark has the word 'NATURELL' only in stylised manner. Hence, I am of the opinion that, the only common feature that both marks sharing the word 'NATUREL' and/or 'NATURELL'.

(21) Apart from the similarity in the word mark, I am of the view that should we analysed both marks as a whole, clearly, these two marks are different to each other conceptually. I agree with the applicant that, in deciding the question of the similarity one must consider whether the totality of the application mark is such that it is likely to cause mistake or deception or confusion in the minds of persons accustomed to the existing trade mark. For instance, should we look at the marks as they appear in the get up and packaging of the products, we can easily see the difference and uniqueness of each mark. I find that except for the word 'NATUREL and/or 'NATURELL', the two marks are dissimilar, different and distinguishable which would be very unlikely for any customer to be falling to confusion or deception.

(22) I am also agreeing with the applicant that, even though the marks are for the same Class 30, but since the difference between the marks are glaringly obvious, I believe the end user would be able to identify each products of each marks without any confusion or deception. Also, based on the evidence submitted by the applicant, I may assume that the application mark has been on market long enough for the customer to be aware of such mark as the applicant's trademark without confusing it for any other marks. Therefore, the argument that there may be assumption that there is some connection between the companies due to the mark is irrelevant.

[16] It is plain that the burden of registrability of a trademark is on the applicant and in this case the first defendant who sought the registration of the opposed mark in the light of opposition by the plaintiff. In *Thrifty-Rent A-Car System Inc v Thrifty Rent-A-Car Sdn Bhd & Anor* [2004] 7 MLJ 567, Faiza Thamby Chik J held as follows:

28 At the outset, I must point out that it is settled law that in opposition proceedings, an applicant for registration bears the onus of proof to satisfy the tribunal that his/its trademark is registrable and should be registered under the Act. *In the Matter of Dunn's Trade Mark* (1980) 7 RFC 311, an application to register a label containing the words 'Fruit-Salt Baking Powder' was opposed by the registered proprietor of a label containing the words 'Fruit-Salt' on the ground that use and registration of the former would be calculated to cause deception within ss 72(2) and 73 of the UK Patents, Designs, and Trade Marks Act 1883 (which are in parimateria with ss 19(l) and 14(a) of the Act respectively). With regards to the onus of proof, Lord Watson said the following at p 315, lines 43–59:

> Section 72(2) prohibits the registration, with respect to the same goods or description of goods, of a trade mark so nearly resembling a trade mark already on the register with respect to such goods, or description of goods, as to be calculated to deceive. That provision is supplemented by the broader enactments of s 73, to the effect that — 'It shall not be lawful to register, as part of or in

A combination with a trade mark, any words the exclusive use of which would, by reason of their being calculated to deceive or otherwise, be deemed disentitled to protection in a Court of Justice, or any scandalous design.

These prohibitory clauses cast upon the applicant the duty of satisfying the comptroller, or the court, that the trade mark which he proposes to register does not come within their scope ... here, he is in petitorio, and must justify registration of his trade mark by showing affirmatively that it is not calculated to deceive.

29 In a book entitled *World Intellectual Property Organization Manual of Trade Mark Law & Practice in Malaysia* (1989 Ed) (Tab A), at para 24.46 under the heading 'Burden of Proof' it is stated that:

Where an opponent alleges that the applicant's mark bears a deceptive resemblance to his own, he does not have to prove that the public would be confused or deceived thereby. The applicant has to show that no such confusion or deception is likely; an onerous task and one that is hardly susceptible to evidence.

Subsequently in the Federal Court case of *Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd* [2012] 6 MLJ 609; [2012] 6 CLJ 337, Zulkefli CJ (Malaya) (later PCA) held as follows:

[12] It is to be noted in the present case, the respondent filed its notice of opposition before the appellant's mark could be registered. On this point it is our judgment that the onus is on the appellant to prove that he is entitled to register the 'GIORDANO' trademark.

[17] The relevant statutory provisions are ss 14 and 19 of the TMA which read:

14 Prohibition on registration

(1) A mark or part of a mark shall not be registered as a trade mark —

(a) if the use of which is likely to deceive or cause confusion to the public or would be contrary to law;

(b) if it contains or comprises any scandalous or offensive matter or would otherwise not be entitled to protection by any court of law;

(c) if it contains a matter which in the opinion of the Registrar is or might be prejudicial to the interest or security of the nation;

(d) if it is identical with or so nearly resembles a mark which is well-known in Malaysia for the same goods or services of another proprietor;

(e) if it is well-known and registered in Malaysia for goods or services not the same as to those in respect of which registration is applied for: Provided that the use of the mark in relation to those goods or

services would indicate a connection between those goods or services and the proprietor of the well-known mark, and the interests of the proprietor of the well-known mark are likely to be damaged by such use;

(f) if it contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the mark for such goods in Malaysia is of such a nature as to mislead the public as to the true place of origin of the goods; or

(g) if it is a mark for wines which contains or consists of a geographical indication identifying wines, or is a mark for spirits which contains or consists of a geographical indication identifying spirits, not originating in the place indicated by the geographical indication in question.

(2) Article 6 bis of the Paris Convention and Article 16 of the TRIPS Agreement shall apply for the purpose of determining whether a trade mark is a well-known trade mark.

19 Identical trade marks

(1) No trade mark shall be registered in respect of any goods or description of goods —

(a) that is identical with a trade mark belonging to a different proprietor and entered in the Register in respect of the same goods or description of goods or in respect of services that are closely related to those goods; or

(b) that so nearly resembles such a trade mark as is likely to deceive or cause confusion.

(2) No trade mark shall be registered in respect of any services or description of services —

(a) that is identical with a trade mark belonging to a different proprietor and entered in the Register in respect of the same services or description of services or in respect of goods that are closely related to those services; or

(b) that so nearly resembles such a trade mark as is likely to deceive or cause confusion.

(3) Where separate applications are made by different persons to be registered as proprietors respectively of trade marks which are identical or so nearly resembling each other as are likely to deceive or cause confusion and —

(a) such applications are in respect of the same goods or description of goods; or

(b) at least one of such applications is in respect of goods and the other or others is or are in respect of services closely related to those goods, the Registrar may refuse to register any of them until their rights have been determined by the Court or have been settled by

agreement in a manner approved by him or by the Court.

(4) Where separate applications are made by different persons to be registered as proprietors respectively of trademarks which are identical or so nearly resembling each other as are likely to deceive or cause confusion and —

(a) such applications are in respect of the same services or description of services; or

(b) at least one of such applications is in respect of services and the other or others is or are in respect of goods closely related to those services,

the Registrar may refuse to register any of them until their rights have been determined by the Court or have been settled by agreement in a manner approved by him or by the Court.

[18] In the Court of Appeal case of *Bata Ltd v Sim Ah Ba @ Sim Teng Khor & Ors (trading as Kheng Aik Trading)* [2006] 6 MLJ 445, James Foong JCA (later FCJ) held as follows with emphasis added by me:

[22] In considering whether the allegedly similar trademarks would cause confusion and deception to the public, it is necessary, at the outset, to state that similarity per se is acceptable, so long as it does not lead to a likelihood of confusion or deception — see *Kerly on Law of Trade Marks & Trade Names* (13th Ed) paras 16–32. And confusion and deception here should be precipitated to those probable customers or purchasers of goods who may be misled into purchasing one party's goods for that of another. A possibility of confusion is not sufficient. There must be 'a real tangible danger of confusion' — see Farwell J in *Re William Bailey (Birmingham) Ltd's Application* 52 RPC 153 at line 24. To ascertain whether there is a likelihood of confusion and deception, we find the following passage in the Australian case of *Australian Woollen Mills Limited v FS Walton And Company Limited* (1937) 58 CLR 641 at p 658 worthy for adoption:

In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, then similarities both of sound and of meaning may play an important part. The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected. Potential buyers of goods are not to be credited with any high perception or habitual caution. On the other hand,' exceptional carelessness or stupidity may be disregarded. The course of business and the way in which the particular class of goods are sold gives, it may be said, the setting, and the habits and observation of men considered in the mass affords the standard. Evidence of actual cases of deception, if forthcoming, is of great weight.

[23] Broadly speaking, the factors for consideration here can be summarised as follows:

(a) the idea of the mark is to be regarded;

(b) the elements of the mark must be taken as a whole;

(c) imperfect recollection of the mark by customers or purchasers should be taken into account;

(d) the aural as well as the visual aspect of a customer towards the mark is relevant; and

(e) all the circumstances of the trade must be considered (see *Tiga Gajah Cho Heng Sdn Bhd v Maju Perak Tepung Beras Sdn Bhd* [1997] 4 MLJ 504 at p 527) adopting those stated in Kerly's Law of Trade Marks & Trade Names (12th Ed) from paras 17–08–17–21).

[24] Though it is advised that the two contending marks should not be placed side by side for comparison but for initial effect, we are of the view that it is still necessary in an evaluation process of this nature to first examine the two marks visually in order to ascertain whether they resemble each other materially. If they are distinctively dissimilar then obviously the public could not be possibly deceived or confused by the two marks.

[19] It is my view gainful here to refer to several English cases as guidance for comparison of the opposed mark and the mark in ascertaining whether confusion or deception would be caused. In *Jellinek's Application, Re* (1946) 63 RPC 59, Romer J held as follows:

It is not necessary in order to find that a mark offends against s 11 to prove that there is actual probability of deception leading to a passing off or (i add) an infringement action. It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains reasonable doubt but the court must be satisfied not merely that there is a possibility of confusion; it must be satisfied that there is a real tangible danger of confusion if the mark which it is sought to register is put on the register.

In *Beck, Koller & Co (England) Ltd's Application, Re* (1947) 64 RPC 76, the assistant comptroller held as follows:

With reference to the first of these questions the reported cases show that, in determining whether any one set of goods are of the same description as another set within the meaning of s 12, consideration has to be given, inter alia, to the nature and characteristics of the goods, their origin, their purpose, whether that are usually produced by one and the same manufacturer or distributed by the same whole sale houses, whether they are sold in the same shops over the same counter during the same seasons and to the same class of consumers , and whether by those engaged in their manufacture and distribution they are regards as belonging to the same trade. In the case of *Jellinek's Application* (63 RPC 59) Romer J classified these various

considerations under three headings, nature of the goods, uses thereof, and trade channels through which they are bought and sold ...

Also in the Privy Council case of *De Cordova v Vick Chemical Co* (1951) 68 RPC 103, Lord Radcliffe held as follows:

> The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for goods with both the marks clearly before him, for orders are not placed, or are often not placed, under such conditions. It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail and that marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole.

[20] It is plain that ss 14(1)(a) and 19(1)(b) of the TMA prohibit registration of the mark if the use of it would cause confusion or deception when use in a normal and fair manner. Although often analysed and treated collectively in determining finally whether there is a real tangible danger of confusion or deception on the usage of a mark, there is practically speaking a two tier analysis; firstly whether there is resemblance in the nature of the marks when compared together, and if so, followed secondly by whether they could nonetheless be differentiated via the nature of the goods, their uses or trade channels through which they are bought and sold. Obviously if the marks are found not resembling in the first tier analysis, there is no necessity to undertake the second tier analysis.

[21] The learned registrar found that apart from the close sharing of the word 'NATUREL' and 'NATURELL', the rest of the features of the marks are different conceptually when analysed as a whole.

[22] I have recently held as follows in *Skyworld Development Sdn Bhd & Anor v Skyworld Holdings Sdn Bhd & Ors* [2019] 9 MLJ 137 as follows:

> [36] I am mindful the plaintiffs have implored me to place high if not conclusive weight on the word 'skyworld' which is identical audibly based on the test enunciated in *The Pianotist Co Ltd Application* which has been approved in the Supreme Court case of *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd*. It is gainful to reproduce what was exactly stated by Mohamed Yusoff FCJ in the *Tohtonku* case:
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> > The 'tests' which Wan Adnan J was referring to were contained in Parker J's judgment in *The Pianotist Co Ltd* in the following terms:
> >
> > > You must take the two words. You must judge them, both by their look and their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those marks

are used in a normal way as a trade mark of the goods of the respective owners of the marks.

In the instant case, the learned trial judge had found that 'there are two features of the two marks which are similar, namely, red in colour and split in wording'. However, having regard to the totality of the circumstances of the case, the learned judge was apparently satisfied that: there is no similarity between the two words 'MISTER' and 'SISTER' as to be likely to cause deception or confusion. The words are different. There is similarity in the second syllable but as a whole the similarity is not close enough as to be likely to cause deception or confusion. Further, the get-up of the intervener's product is green background colour with the picture of a lady whereas the get-up of the applicant's product is white-blue-grey background colour with the picture of a lady and a man.

It is plain that the *Tohtonku* case did not lay down the proposition that there is overriding conclusion of infringement if the words are identical. Be that as it may, it instead suggested that the marks must be compared as a whole, both audibly and visually. This was likewise done in the later celebrated trade mark cases of *Danone Biscuits Manufacturing (M) Sdn Bhd (formerly known as Britania Brands (M) Sdn Bhd) v Hwa Tai Industries Bhd* as well as *Elba Group Sdn Bhd v Pendaftar Cap Dagangan dan Paten Malaysia* where the marks are audibly similar. In this case, I am not satisfied that the word 'skyworld' phonetically per se is the essential or striking feature of the plaintiffs' marks.

[23] Upon my comparison of the marks in issue as whole, I do not find that the learned registrar fell into error in her conclusion on the nature of the marks. They are visually different albeit not substantially because the essential feature is the wording of the mark. Nevertheless they are near identical when phonetically pronounced. However as a whole, it cannot on the first tier analysis be objectively concluded that the opposed mark would by its nature vis both visual and aural per se cause confusion or deception.

[24] Be that as it may and on the second tier analysis, I observed that the mark and opposed mark are registered in the same Class 30 involving many identical goods, to wit; confectionary, biscuits, pastry, coffee and tea. These are consumer goods sold and bought ordinarily in groceries and supermarkets. The consumers are likely to be mostly housewives who may include illiterate ones having imperfect visual recollection of the marks. In this connection, the phonetical pronunciation of the mark is in my opinion critical to associate or distinguish the marks and their corresponding goods. It is instructive to specifically refer to the English case of *Re An Application by Rysta Ltd; Re The Opposition of Aristoc Ltd* [1943] 60 RPC 87 where Luxmoore LJ held as follows with emphasis added by me:

... It is the person who only knows the one word, and has perhaps an imperfect recollection of it, who is likely to be deceived or confused. Little assistance, therefore, is to be obtained from a meticulous comparison of the two marks, letter

A by letter and syllable by syllable pronounced with clarity to be expected from a teacher of elocution.

The court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part not only of the persons seeking to buy under the trade description but also of the shop assistant ministering the person's wants.

B

[25] The learned registrar in this respect however concluded that the difference between the marks is glaringly obvious and she believed the end user would be able to identify the goods without any confusion or deception. She C further assumed that the opposed mark has been in the market long enough for the customer to be aware of it without confusing it for any other marks. With respect, I find and hold that the learned registrar erred in so concluding including having relied on an assumption without cogent evidence. It is important to note that the burden of proof to establish of absence of confusion D or deception here is on the first defendant and not the plaintiff.

[26] I am mindful that in the Federal Court case of *Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd* [2012] 6 MLJ 609 Zulkefli FCJ (later PCA) held as follows with emphasis added by me:

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[27] *Confusion and deception as envisaged by s 14(1)(a) of the Act in our view is a question of fact and degree*. The likelihood of confusion and deception can never be ruled out in the present case simply because the goods sought to be registered by the appellant fall in Class 9 whilst the goods that have been sold and traded by the respondent fall in other classes such as Class 25. Further, the more well known or F unusual a trademark, the more likely is that consumers might be confused into believing that there is a trade connection between goods or services bearing the same or a similar mark. In the case of *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1998] All ER (EC) 934; [1999] RPC 177 the court therein held that a lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the marks and vice versa.

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Consequently and since the plaintiff has from the evidence adduced before the learned registrar acquired substantial reputation and goodwill in its business in relation to goods in Class 30 in Malaysia long before the filing of the first H defendant's application, the fair and normal use of goods in Class 30 bearing the opposed mark would inevitably be confusingly associated with the plaintiff's goods bearing the mark. This is seen in the English cases of *Ravenhead Brick Co Ltd v Ruabon Brick & Terra Cotta Co Ltd* (1937) 54 RPC 341 on 'Sanrus' and 'Rus' facing bricks and *Fitton (John) & Co Ltd's Application, Re* (1949) 66 RPC 110 on 'Easyjest' and Jests medicinal sweets, I both involving a common customer market. However the cases of *Hui Kuan Hoe v Societe Des Produits Nestle SA* [2012] 5 MLJ 343 on 'Lotte Nidoo' and 'Nido' milk based products as well as *Elba Group Sdn Bhd v Pendaftar Cap Dagangan dan Paten Malaysia* [1998] 4 MLJ 105 on 'adax' and 'Daks'

clothings relied by the first defendant are distinguishable on their own peculiar facts. In the former, the marks are significantly different aurally whereas in the latter, the targeted customer market are different, to wit; local customers versus foreign customers and a selected class of local customers.

[27] In the circumstances, I hold that the opposed mark would in its use likely to cause confusion or deception to the public contrary to that as found by the learned registrar and appellate intervention is thus justified here.

[28] That aside, the plaintiff has also submitted that the learned registrar was erroneous in concluding that the first defendant is the bona fide proprietor of the opposed mark for goods in Class 30 as well as there was no co-existence between the usage of the mark and opposed mark in respect of goods in Class 30 pursuant to grounds of appeal No (vii) and (iv) of the plaintiff respectively.

[29] In this regard, the learned registrar held as follows in her grounds of decision:

> (16) In its submission, the applicant claims that it is the creator and first user of the 'NATUREL' word mark in Malaysia for having a registered 'NATUREL' mark in 1991 for goods in Class 29 bearing registration no. 91008179 for 'edible oils and fats including mono saturated margarine'. There are also other registered 'NATUREL' marks in different class of goods as mentioned in the above paragraph. Hence, the Applicant claims to have filed more than 32 trademarks adopting the word 'NATUREL' in class 3, 5, 29, 30, 31, 32, 35 and 43 in Malaysia and worldwide, out of which 14 are currently registered.
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> ...
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> (18) The applicant also argue that, even though the goods are in the same Class 30, but based on the evidence adduced by the opponent it is clear that, the opponent only using the mark on biscuits as compared to the applicant's varieties of products which cover different classes of goods. Therefore, the opponent's argument that the applicant's goods are the same as the ones traded by the opponent is unacceptable.
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> ...
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> (24) On the contention whether the applicant is the rightful owner of the mark, s 25(1) of Act 1976 states that 'Any person claiming to be the proprietor of a trade mark used or proposed to be used by him may make application to the registrar in the prescribed manner'. Based on the exhibit evidences that tendered by both parties, I am of the view that the applicant may be the rightful owner of the said mark under this provision.

[30] The applicable law is in the Federal Court case of *Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)* [2015] 6 MLJ 465 where Azahar Mohamed FCJ held as follows with emphasis added by me:

A [39] The law governing the foundation, which led to common law proprietorship over a trademark or source identifier, as we have summarised above, has been well settled. The case of *Fazaruddin bin Ibrahim v Parkson Corp Sdn Bhd* [1997] 4 MLJ 360 reiterates the established legal position under common law that a first user of a mark is lawfully entitled to use the said mark. *In the case of Fazaruddin bin Ibrahim* B *v Parkson Corp Sdn Bhd, the court held that in common law, the first person who uses a trademark becomes the proprietor of the mark.* Abdul Malik Ishak J (as he then was) said the following:

> The basic common law principle is this: the first person who uses a trademark of an appropriate type within a country becomes the proprietor of the mark (*Re* C *Registered Trade Mark 'Yanx' ex p Amalgamated Tobacco Corp Ltd* (1951) 82 CLR 199 at p 203; *Thunderbird Products Corp v Thunderbird Marine Products Pty Ltd* (1974) 131 CLR 592 at p 603; *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2)* (1984) 59 ALJR 77 at p 83). It is said that a person who becomes proprietor of a trademark in this way is entitled at common law to restrain a D person who later commences to use the trademark.

[40] *In the case of Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7, the Court of Appeal held that there was nothing unlawful under the Act for a Malaysian trader to become the registered proprietor of a foreign mark used for similar foreign goods provided that the foreign mark had not been used at all in E Malaysia. Mahadev Shanker JCA said:

> Trade mark law is very territorial in many aspects. So, it will be useful to keep in the forefront of our minds that, however distasteful it may be for a trader in one country to appropriate the mark of a foreign trader who is using that mark in a F foreign country, there is nothing unlawful under the Trade Marks Act 1976 for a Malaysian trader to become the registered proprietor of a foreign mark used for similar foreign goods provided that the foreign mark has not been used at all in Malaysia.

[41] *In Syarikat Zamani Hj Tamin Sdn Bhd & Anor v Yong Sze Fun & Anor* [2006] G 5 MLJ 262, Ramly Ali J (now FCJ) stated:

> It is trite law that the first to use a mark in Malaysia would prevail. Otherwise it would result in an anomaly in the law in the sense that the first and original user of a mark is defeated by subsequent user.

H [42] This principle is consistent with other jurisdictions. *The principle of law was explained in the UK Court of Appeal decision in Al Bassam Trade Mark where the court affirmed the principle that proprietorship under common law is not defined by the trademark legislation but from first use. The provisions of the Act are broadly in parimateria with the UK legislation at the material time. Ward LJ held as follows:*

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> Proprietorship is not defined in the Act. One looks to the common law for its definition. This has been settled by *Nicholson & Sons' Application* (1931) 48 RPC 227 and the judgment of Lawrence LJ at p 253 to which Morritt LJ has referred. *Whether a mark was used upon or in connection with the applicant's goods, or whether it was not, is a matter of fact the finding of which cannot, in my judgment,*

be determined by the bona fides or lack of bona fides on the claimant's part of his belief that he is the proprietor.

Ward LJ further held as follows:

> That subsection seems to me to emphasise registration as proprietors, not as claimants to proprietorship. The rights that have to be determined by the courts are the rights of proprietorship. Proprietorship is determined by first use. It is not determined by deceptiveness which itself begs the question of proprietorship.

[43] In a separate concurring judgment, Morritt LJ also emphasised that proprietorship of an unregistered trademark is determined by first use:

> Accordingly it is necessary to start with the common law principles applicable to questions of the ownership of unregistered marks. These are not in doubt and may be shortly stated. First the owner of a mark, which had been used in conjunction with goods, was he who first used it. Thus in *Nicholson & Sons Ltd's Application* (1931) 48 RPC 227 at p 253 Lawrence LJ said:
>
> > The cases to which I have referred (and there are others to the like effect) show that it was firmly established at the time when the Act of 1875 was passed that a trader acquired a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and of the extent of his trade and that such right of property would be protected by an injunction restraining any other person from using the mark.

In my view, it is plain that the proprietor is he who satisfies the principles of the common law to which I have referred. Accordingly in the case of a used mark, as in this case, the owner or proprietor is he who first used it in relation to goods for the purpose indicated in the definition of trade mark contained in s 68 which I have already quoted. Ownership of the mark is a different concept to deceptiveness of the mark, the principles applicable to the two concepts are different and I do not see how one can determine whether there is likely to be confusion without first deciding who is the proprietor.

[44] The case of *Al Bassam Trade Mark* was followed by a Singapore case, that is, *'Dalic' Trade Mark; Sifco Industries Inc v Dalic SA* [1998] 2 SLR 231. It was held in that case, among others, that a trademark was not registrable unless the person claiming to be the proprietor had first used it in relation to goods or services in the course of trade.

[31] It is therefore clear that the question as to who is the first user of the mark is one of fact that has to be established and supported by cogent evidence adduced by the first defendant. In this respect, the evidence adduced showed that the first defendant in 1991 only registered the opposed mark in Class 29 for edible oils specifically margarine in respect of consumer goods. However the plaintiff has in 1997 already registered the mark in Class 30 whereas the first defendant only sought registration of the opposed mark in Class 30 ten years later in 2007. There is also substantial evidence of the plaintiff that there

was use of the registered Mark by way of sales and promotion of its confectionary goods including having won the awards and recognition. There was however no evidence at all adduced by the first defendant on having used the opposed mark for goods in Class 30 prior to the plaintiff. I am aware that the first defendant asserted that there was use of the opposed mark in relation to oats in Singapore but that is immaterial in view of the territorial nature of trademark law.

[32] In the premises, I hold that the learned registrar again fell into a fundamental error of fact if she had accepted the submission of the first defendant on prior use of the opposed mark in Class 30. It is irrelevant that the first defendant might have earlier use of the opposed mark in Class 29 for different goods even though they are related to food products.

[33] As to the co-existence of both the opposed mark and the mark, I reiterate from the evidence adduced that there is no evidence the first defendant's opposed mark was in use for goods in Class 30 for a substantial period of time. As such, the learned registrar's conclusion is misconceived and hence warrants appellate intervention here too.

[34] The first defendant in this appeal nonetheless went on to refer to s 20 of the TMA which provides:

> 20 Concurrent use
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> (1) Notwithstanding subsection 19(1), in the case of honest concurrent use or of the circumstances described in paragraph 6(4)(c) or of other special circumstances which, in the opinion of the Court or the Registrar, make it proper so to do, the Court or the Registrar may permit the registration of more than one proprietor in respect of trade marks which are identical or so nearly resembling each other as are likely to deceive or cause confusion where the registration of the different proprietors —
>
> (a) is in respect of the same goods or description of goods; or
>
> (b) in the case of at least one proprietor, is in respect of goods, and in the case of the other or others, is in respect of services closely related to those goods, subject to such conditions, amendments, modifications or limitations, if any, as the Court or the Registrar, as the case may be, may think right to impose.
>
> (1A) Notwithstanding subsection (2) of section 19, in the case of honest concurrent use or of other special circumstances which, in the opinion of the Court or the Registrar, make it proper so to do, the Court or the Registrar may permit the registration of more than one proprietor in respect of trade marks which are identical or so nearly resembling each other as are likely to deceive or cause confusion where the registration of the different proprietors —
>
> (a) is in respect of the same services or description of services; or

(b) in the case of at least one proprietor, is in respect of services, and in the case of the other or others, is in respect of goods closely related to those services, subject to such conditions, amendments, modifications or limitations, if any, as the Court or the Registrar, as the case may be, may think right to impose.

(2) The Registrar shall not refuse to register a trade mark which is identical to or so nearly resembling another trade mark in the Register if the applicant of the first-mentioned trade mark or his predecessor in business has continuously used that trade mark from a date before —

(a) the use of that other trade mark by the registered proprietor or his predecessor in business or by a registered user; or

(b) the registration of that other trade mark by the registered proprietor or his predecessor in business, whichever is the earlier.

[35] At the outset, I noticed that this contention of the first defendant was not advanced before the learned registrar and thus inappropriate to be entertained in this appeal notwithstanding that it is seemingly connected to the issue of co-existence of the marks: see *Attorney General for The Straits Settlements v Phang Ah Yew* [1934] MLJ 184, *Muniandy & Anor v Muhammad Abdul Kader & Ors* [1989] 2 MLJ 416 and *Tiga Gajah Cho Heng Sdn Bhd v Majuperak Tepung Beras Sdn Bhd* [1997] 4 MLJ 504; see also *Dynawell Corp (M) Sdn Bhd v Dynasty Landmark Sdn Bhd & Anor* [2016] 9 MLJ 369 at para 23. In my opinion, s 20(1) and (2) of the TMA are conjunctive. They are connected and must necessarily be read together. I am aware that the first defendant referred to the explanatory notes in the Trade Marks (Amendment) Bill 1993 DR 20/93. However, there is nothing therein indicating that s 20(1) and (2) of the TMA are independent and disconnected. In any event, it is prima facie plain to me that the first defendant did not meet the requirement of s 20(2) of the TMA because of my findings in para [31] above besides also the lack of cogent evidence of honest concurrent use in fulfilment of s 20(1) of the TMA. Unless otherwise satisfactorily explained by the first defendant, I see the concurrent usage as business competition diluting the protection afforded by the registered trade mark to the plaintiff. In other words, the first defendant has not demonstrated as to why it is just in the circumstances to have concurrent usage of Marks which I have found to be confusing to the ordinary public consumer. I am mindful that in the Court of Appeal case of *Al Baik Fast Food Distribution Co SAE v El Baik Food Systems Co SA and another appeal* [2016] 5 MLJ 768; [2016] 9 CLJ 310, Hamid Sultan Abu Backer JCA as follows:

The TMA 1976 does not give any party a monopoly right to register a trade mark when there is a competing interest. As long as the applicant can demonstrate that it will be just for the trade mark to be registered or be in the register that prima facie will satisfy the Pianotist test. Our ss 20, 25, 35, 44, etc of the TMA 1976 even permit the registrar to register a trade mark by imposing conditions, etc. This

provision is meant to allow fair competition between genuine traders and to enable them to register their trade marks by ensuring the issue of 'confusion' is eliminated. If there is no confusion, registration of trade mark should ordinarily follow ...

[36] As to the plaintiff's other grounds of appeal No (ix), (x) and (xi), I observed that the learned registrar did not deal with them save for ground No (x) that she has no jurisdiction because her function is only to decide on registration matters of a trade mark but a passing off action under common law is for the decision of the court. Since there has been no decision made by the learned registrar on these grounds of appeal, they cannot be dealt with here because this appeal is a review and not a re-hearing afresh. In any event, there is no necessity to do so in view of my findings above in respect of grounds of appeal No (i)–(viii). But for completeness, I am of the view that the learned registrar nevertheless has jurisdiction to deal with common law passing off as this would be within the ambit of contrary to law pursuant to s 14(1)(a) of the TMA.

CONCLUSION

[37] For the foregoing reasons, I therefore allow the appeal as prayed in the plaintiff's originating summons with costs of RM30,000 subject to 4% allocator.

Order accordingly.

Reported by Mohd Kamarul Anwar